



U.S. Department of Housing and Urban Development
Oklahoma State Office
National Servicing and Loss Mitigation Center, HUFG
500 W. Main Street, Suite 400
Oklahoma City, OK 73102-2233

<http://www.hud.gov/local/okl/slm/mitihome.html>

August 18, 2000

TO: Lenders servicing FHA mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA

SUBJECT: **Moratorium on foreclosure on FHA Mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA**

As a part of the Secretary's effort to review predatory lending practices as they relate to loan originations, effective August 15, 2000, HUD placed a 90-day moratorium on the foreclosure of FHA insured mortgages in the zip codes shown on the enclosed list for the subject metropolitan areas. This letter adds eight zip codes in the New York Metropolitan area to the moratorium announced on August 15, 2000. This moratorium is similar to moratoriums declared due to Federal National Disasters (See HUD Handbook 4330.1 Rev. 5, Chapter 14) on properties insured by FHA that are located within these metropolitan areas.

- This moratorium applies to both the initiation of foreclosure and suspension of foreclosure for cases already in process.
- This moratorium does not affect routine inspections, preservation, and protection, as required by 24 CFR 203.377.
- This does not apply to properties in the affected zip codes that your records indicate are vacant or abandoned as of August 15, 2000, or properties found to be vacant or abandoned through subsequent inspections.
- If the foreclosure sale has already occurred do not suspend the ratification or eviction process. This notification will be in effect for ninety (90) days from August 15, 2000. It will expire on the close of business November 13, 2000.
- For attorney fee reimbursement, HUD will treat the foreclosure suspensions required by these moratoriums similar to the suspensions resulting from bankruptcy actions. Mortgagees may claim the actual attorney fees incurred, up to a maximum of 75% of HUD's Attorney Fee Schedule (see Mortgagee Letter 98-26) for a foreclosure that was not completed due to these moratoriums. For the foreclosure action that is completed, mortgagees may claim their actual attorney fees up to the maximum amount noted in HUD's Attorney Fee Schedule.

For the eight new zip codes announced today, this notification will be in effect for ninety (90) days from August 18, 2000, and will expire on the close of business November 16, 2000. For your convenience, the attached list provides the expiration date for each zip code.

HUD has established a moratorium page accessible from HUD's Servicing and Loss Mitigation page (<http://www.hud.gov/local/okl/slm/mitihome.html>) to provide copies of all moratorium notifications.

In those cases where the moratorium causes the initiation of foreclosure to occur past the normal deadline of six months after the date of default, the Department will grant an extension of up to ninety (90) days for the mortgagee to initiate foreclosure. This letter is your confirmation for a ninety (90) days extension for those properties affected by this moratorium.

Please maintain a copy of this letter in the individual claim review files to confirm the approved extension.

During the moratorium, loan servicers should review each of the affected accounts to ensure that the mortgagors were made aware of their loss mitigation options and that the loss mitigation evaluation required by 24 CFR 203.605 has been completed.

The loss mitigation initiatives to be considered are special forbearance, mortgage modifications, refinancing and partial claims. Other alternatives such as deed-in-lieu and pre-foreclosure sales should be encouraged if the homeowner is not in a position to cure the mortgage delinquency. This letter also authorizes an extension of an additional sixty (60) days to the maximum pre-foreclosure sales period for cases affected by this moratorium to allow sufficient time to market the property. If you have any questions regarding the moratorium our phone number is 888-297-8685.

Sincerely,

Michael B. O'Donnell
Director, Servicing and
Loss Mitigation Center

Enclosure



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Revised Zipcode List for the August 18, 2000 Moratorium on Foreclosure on FHA Mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA.

| zipcode | state | expires |
|---------|-------|----------|
| 10027 | NY | 11/13/00 |
| 10456 | NY | 11/16/00 |
| 10457 | NY | 11/16/00 |
| 10458 | NY | 11/16/00 |
| 10460 | NY | 11/16/00 |
| 10466 | NY | 11/16/00 |
| 10467 | NY | 11/16/00 |
| 10472 | NY | 11/16/00 |
| 10473 | NY | 11/16/00 |
| 11203 | NY | 11/13/00 |
| 11205 | NY | 11/13/00 |
| 11206 | NY | 11/13/00 |
| 11207 | NY | 11/13/00 |
| 11208 | NY | 11/13/00 |
| 11212 | NY | 11/13/00 |
| 11213 | NY | 11/13/00 |
| 11216 | NY | 11/13/00 |
| 11221 | NY | 11/13/00 |
| 11226 | NY | 11/13/00 |
| 11233 | NY | 11/13/00 |
| 11236 | NY | 11/13/00 |
| 11237 | NY | 11/13/00 |
| 11238 | NY | 11/13/00 |
| 11412 | NY | 11/13/00 |
| 11419 | NY | 11/13/00 |
| 11420 | NY | 11/13/00 |
| 11432 | NY | 11/13/00 |
| 11433 | NY | 11/13/00 |
| 11434 | NY | 11/13/00 |
| 11435 | NY | 11/13/00 |
| 11436 | NY | 11/13/00 |
| 11691 | NY | 11/13/00 |
| 11692 | NY | 11/13/00 |

| zipcode | state | expires |
|---------|-------|----------|
| 30032 | GA | 11/13/00 |
| 30034 | GA | 11/13/00 |
| 30038 | GA | 11/13/00 |
| 30058 | GA | 11/13/00 |
| 30083 | GA | 11/13/00 |
| 30088 | GA | 11/13/00 |

| zipcode | state | expires |
|---------|-------|----------|
| 60409 | IL | 11/13/00 |
| 60411 | IL | 11/13/00 |
| 60419 | IL | 11/13/00 |
| 60426 | IL | 11/13/00 |
| 60609 | IL | 11/13/00 |
| 60617 | IL | 11/13/00 |
| 60619 | IL | 11/13/00 |
| 60621 | IL | 11/13/00 |
| 60628 | IL | 11/13/00 |
| 60629 | IL | 11/13/00 |
| 60636 | IL | 11/13/00 |
| 60639 | IL | 11/13/00 |
| 60643 | IL | 11/13/00 |
| 60644 | IL | 11/13/00 |
| 60647 | IL | 11/13/00 |
| 60649 | IL | 11/13/00 |
| 60651 | IL | 11/13/00 |
| 60652 | IL | 11/13/00 |
| 60804 | IL | 11/13/00 |

| zipcode | state | expires |
|---------|-------|----------|
| 90001 | CA | 11/13/00 |
| 90002 | CA | 11/13/00 |
| 90003 | CA | 11/13/00 |
| 90004 | CA | 11/13/00 |
| 90005 | CA | 11/13/00 |
| 90006 | CA | 11/13/00 |
| 90010 | CA | 11/13/00 |
| 90011 | CA | 11/13/00 |
| 90015 | CA | 11/13/00 |
| 90021 | CA | 11/13/00 |
| 90037 | CA | 11/13/00 |
| 90044 | CA | 11/13/00 |
| 90059 | CA | 11/13/00 |
| 90061 | CA | 11/13/00 |
| 90220 | CA | 11/13/00 |
| 90221 | CA | 11/13/00 |
| 90222 | CA | 11/13/00 |
| 90303 | CA | 11/13/00 |
| 90723 | CA | 11/13/00 |
| 90802 | CA | 11/13/00 |
| 90813 | CA | 11/13/00 |